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UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF NEBRASKA

UNITED STATES BANKRUPTCY CLERK
FOR THE DISTRICT OF NEBRASKA
OMAHA

IN RE)	
)	Case No. BK08-83016
TRI-STATE FINANCIAL, LLC,)	
d/b/a NORTH COUNTRY ETHANOL)	Chapter 11
)	
Debtor.)	

**INTERESTED PARTIES JEFF TORLUEMKE, BRIAN BAALMAN AND SCOTT
FOOTE'S OBJECTION TO TRUSTEE'S MOTION FOR ORDER PURSUANT TO 11
U.S.C. §§ 105A AND 363, FED. R. BANK P. 6004 AND LOCAL R. BANK P. 6004-1
AUTHORIZING AND APPROVING THE SALE OF SUBSTANTIALLY ALL OF
DEBTOR'S ASSETS FREE AND CLEAR OF LIENS**

COMES NOW, Jeff Torluemke, Brian Baalman and Scott Foote, *pro se*¹ (collectively the "Interested Parties"), and hereby object to Trustee's Motion for Order Pursuant to 11 U.S.C. §§ 105A and 363, Fed. R. Bank P. 6004 and Local R. Bank P. 6004-1 Authorizing and Approving the Sale of Substantially All of Debtor's Assets Free and Clear of Liens ("Motion to Approve Sale") as follows:

1. Interested Parties Jeff Torluemke, Brian Baalman and Scott Foote are each, directly or indirectly, significant investors and members of the Board of Managers of Western Plains Energy, L.L.C., a Kansas limited liability company ("WPE").

¹ The Interested Parties have prepared this Objection with the assistance of counsel, David Babiarz, Esq. and Chris Baumgartner, Esq. of the Denver, Colorado law firm Dufford & Brown, P.C. Messrs. Babiarz and Baumgartner are licensed attorneys in good standing in the State of Colorado. Mr. Baumgartner and another attorney in the firm are in the process of requesting *pro hac vice* admission to the Nebraska Bankruptcy Court, and intend to enter their appearance on behalf of the Interested Parties should such admission be approved. Due to the abbreviated briefing schedule and time constraints discussed further in this Motion, the Interested Parties are filing this Motion *pro se*.

2. In his capacity as President of the Board of Managers of WPE, Mr. Torluemke became aware of the opportunity to acquire assets of the bankruptcy estate, consisting primarily of the Ethanol Plant and Equipment located in Rosholt, South Dakota (hereinafter "Ethanol Plant") on or about July 6, 2011. Mr. Torluemke was made aware of the opportunity by a participant in the ethanol industry and not through any efforts of the Trustee in this matter, Thomas Stalnaker.

3. Beginning on approximately July 11, 2011, Mr. Torluemke and other members of the Board of Managers of WPE, in conjunction with the other participant in the ethanol industry, undertook efforts to investigate the possibility of purchasing the Ethanol Plant. During these efforts, Mr. Torluemke and the other representatives of WPE were sometimes discouraged from pursuing the opportunity by the Trustee, who advised Mr. Torluemke that the Trustee was at that time negotiating exclusively with another party.

4. On August 5, 2011, WPE delivered a letter to the Trustee, its counsel, the United States Trustee, representatives of the secured creditor and representatives of the estate stating, in relevant part, that WPE was interested in purchasing the Ethanol Plant, but needed additional time to conduct diligence and prepare a firm offer. In response, representatives of WPE were advised that the Trustee had already entered into an agreement to sell the Ethanol Plant to another party, and that the Trustee intended to file a motion to approve said sale forthwith.

5. The Motion to Approve Sale was filed by the Trustee on August 8, 2011.

6. On August 16, 2011, at a meeting of the Board of Managers of WPE, it was determined that WPE would not pursue the opportunity to purchase the Ethanol Plant.

Immediately thereafter, the Interested Parties commenced efforts to pursue the opportunity separate and apart from WPE.

7. With all due respect to the Trustee, his representation in paragraph 10 of the Motion to Approve Sale that “\$4,500,000 represents the best purchase price to be obtained for the Ethanol Plant” is not accurate. The Interested Parties are ready, willing and able to purchase the Ethanol Plant for a purchase price of \$5,100,000, a premium of \$600,000 over the currently proposed sale price, subject to the opportunity to negotiate an acceptable purchase and sale agreement with the Trustee. Other than paying substantial, additional consideration, the Interested Parties are prepared to purchase the Ethanol Plant on terms substantially similar to those set forth in the Purchase Agreement dated August 8, 2011, attached to the Trustee’s Motion as Exhibit 1 (“Purchase Agreement”).

8. Due to the extremely brief period of time between filing of the Motion to Approve Sale and the deadline for filing objections in this matter, the Interested Parties have not had the opportunity to negotiate with the Trustee to submit a firm offer superior to that presented by Red River Energy, LLC, the prospective purchaser under the Purchase Agreement. Following a brief telephone conversation between a representative of the Interested Parties and counsel for the Trustee on August 17, 2011, it appears that the Trustee is now willing to entertain those discussions.

9. In its Motion to Approve Sale at paragraph 9, the Trustee states that it has marketed and sought out potential buyers for the Ethanol Plant, but no buyer with adequate ability to purchase the Ethanol Plant has come forward. The Interested Parties would respectfully submit to the Court that the Trustee did not undertake all reasonable efforts to

market the Ethanol Plant. The Interested Parties are active participants in, and educated followers of, the ethanol industry and would have taken notice of the opportunity presented by the Ethanol Plant, had the opportunity been more thoroughly marketed.

10. The Interested Parties, if provided a brief period of time to finalize the terms of the sale with the Trustee, are prepared to offer a price substantially superior to that offered by Red River Energy, LLC, which the Trustee has represented as the best purchase price to be obtained for the Ethanol Plant.

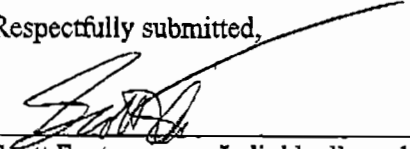
11. The additional consideration proposed to be offered by the Interested Parties will benefit the bankruptcy estate and the secured creditors.

12. The Interested Parties submit that the price proposed to be paid by Red River Energy, LLC is below the fair market value of the Ethanol Plant, and the proposed sales terms are not in the best interests of the estate and the creditors.

WHEREFORE, the Interested Parties respectfully request that the Court deny the Trustee's Motion to Approve Sale, provide leave to the Interested Parties to discuss and execute a definitive purchase and sale agreement with the Trustee, and for such other and further relief as the Court deems just and proper.

DATED this 17th day of August, 2011.

Respectfully submitted,



Scott Foote, *pro se*, Individually and as
Attorney-in-Fact for Brian Baalman and
Jeff Torluemke

CERTIFICATE OF SERVICE

I certify that on the 17th day of August, 2011, a true and correct copy of the foregoing **INTERESTED PARTIES JEFF TORLUEMKE, BRIAN BAALMAN AND SCOTT FOOTE'S OBJECTION TO TRUSTEE'S MOTION FOR ORDER PURSUANT TO 11 U.S.C. §§ 105A AND 363, FED. R. BANK P. 6004 AND LOCAL R. BANK P. 6004-1 AUTHORIZING AND APPROVING THE SALE OF SUBSTANTIALLY ALL OF DEBTOR'S ASSETS FREE AND CLEAR OF LIENS** was served upon the following via email:

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Chris Daniel, Amy Daniel, Distefano Family LTD Partnership,
Timothy Jackes, James Jandrain, George Kramer, Bernie Marquardt*

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I also certify that on the 17th day of August, 2011, a true and correct copy of the foregoing **INTERESTED PARTIES JEFF TORLUEMKE, BRIAN BAALMAN AND SCOTT FOOTE'S OBJECTION TO TRUSTEE'S MOTION FOR ORDER PURSUANT TO 11 U.S.C. §§ 105A AND 363, FED. R. BANK P. 6004 AND LOCAL R. BANK P. 6004-1 AUTHORIZING AND APPROVING THE SALE OF SUBSTANTIALLY ALL OF DEBTOR'S ASSETS FREE AND CLEAR OF LIENS** was served upon the following via U.S. mail, postage prepaid:

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& Regulation
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Great Plains Natural Gas
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